

Clean Energy package: Quick and efficient climate gains only with gas

Brussels, 30 November 2016: Today's 'Clean Energy for All Europeans' package, published by the European Commission just weeks after the Paris Agreement entered into force, is an important piece in the legislative framework needed to achieve the EU and global climate targets in an Energy Union. Gas provides important solutions to the many challenges tackled in the package.

"Be it electricity market design, energy efficiency, renewables or the energy performance of buildings, natural gas and renewable gas hold the key to cost-effective solutions," says Eurogas Secretary General Beate Raabe. *"For example, by using natural gas instead of coal in power generation, 50% of carbon dioxide emissions are saved – instantly and in crucial years before renewables can achieve this. At the same time, an increasing share of electricity from renewables is supported and backed up with the highest efficiency - up to 90%, if the heat is used, too - and the needed flexibility is provided to compensate for the variability of certain renewable sources. There are clear opportunities in enhanced gas use",* she says.

As regards electricity market design, an emissions performance standard for capacity mechanisms is principally good for the climate and for gas. Most retail issues raised in the package, such as consumer rights and empowerment, smart metering, data handling, dynamic pricing etc. as well as distribution are the same as or link with gas, which is why both sectors need to be discussed in parallel.

Eurogas looks forward to important technologies forming an interface between electricity and gas, which are vital for a well-functioning energy system, being considered in the upcoming debate. Power-to-gas, for example, can transform excess electricity from wind or solar sources into synthetic gas, which is stored or transported in the gas system. Fuel cells and micro-CHP are ideal to address periods when electricity from variable renewable sources is scarce and electricity prices are high. Locally produced biogas and biomethane can also play their role.

The proposals on the Energy Efficiency Directive suggest that Member States reduce the primary energy factor (PEF) for electricity from 2.5 to 2.0, assuming that all power generation in the EU is delivered at 50% efficiency. This could divert from low-hanging fruit and lead to electrification without environmental benefits. The PEF should reflect the actual conversion efficiency of the electricity system and not be based on a forecast. *"Care needs to be taken that gas with its high efficiency and renewable potential is treated equitably with renewable electricity",* says Ms Raabe. *"This applies to electricity production – centralised and decentralised in people's homes and neighbourhoods – heating, and transport."*

Turning to the Renewable Energy Directive, Eurogas welcomes the proposal for greater recognition that gas can be renewable. Due to the risk of market distortion, Eurogas has advocated a very prudent approach to renewables support schemes. However, where these are granted to electricity from renewables, this must also be the case for renewable gas.

Overall, the Commission's proposals are a significant step in the direction of achieving the agreed climate targets within the framework of an EU-wide Energy Union. Fully reflecting the potential for gas will ensure that the energy transition is secure, competitive and sustainable.

Note to Editors: Eurogas is an association representing 46 companies and associations engaged in the wholesale, retail and distribution of gas in Europe. Eurogas provides data and information relevant to EU decision makers and opinion formers in making the right policy choices.

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